

Date of Hearing: January 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 710 (Irwin) – As Amended January 7, 2026

Policy Committee: Utilities and Energy

Vote: 11 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill requires both electrical corporations (also known as investor-owned utilities or IOUs) and publicly owned utilities (POUs) related to smart grid readiness to facilitate electrical load flexibility.

Specifically, this bill:

- 1) Directs the California Public Utilities Commission (CPUC), by January 1, 2028, to require each IOU to offer optional dynamic pricing tariffs consistent with the California Energy Commission's (CEC's) electric load management standards and with the CPUC's hourly dynamic pricing framework, as specified.
- 2) Directs the CPUC, by January 1, 2028, to require each IOU (a) to analyze the feasibility of deploying advanced metering infrastructure (AMI) to all customers and (b), based on that analysis, by January 1, 2029, to develop a plan for complete AMI deployment, where feasible.
- 3) Requires the governing board of each POU, by January 1, 2028, (a) to analyze the feasibility of deploying AMI to all customers and (b), based on that analysis, by January 1, 2029, to develop a plan for complete AMI deployment, where feasible.

FISCAL EFFECT:

Implementation of this bill will entail new work of the CPUC. Resulting costs are unknown, but likely in the range of hundreds of thousands of dollars to low millions of dollars (Public Utilities Commission Utilities Reimbursement Account). According to the CPUC, the bill might require work of multiple sections of the CPUC's Energy Division, at least. However, the CPUC contends it cannot more accurately estimate the workload implications of this bill unless the bill were amended to provide "more specificity."

COMMENTS:

Load flexibility generally refers to the capability to shift or shed electric demand (referred to as "load") away from times when electricity is, as described by the CEC, "expensive, polluting and scarce" to times when it is "inexpensive, clean and plentiful." According to the CEC, load flexibility will be critical to "aligning customer demand with the supply of clean energy to integrate new renewables onto the grid, reduce the strain new electric load places on the grid, and help maintain electric reliability."

Recently, the Legislature passed SB 846 (Dodd), Chapter 239, Statutes of 2022, which, among many other things, directed the CEC, in consultation with the CPUC and the California Independent System Operator, (a) to adopt, and regularly adjust, a goal for load shifting to reduce net peak electrical demand and (b), to recommend policies to increase demand response and load shifting that do not increase greenhouse gas emissions or increase electric rates.

Accordingly, in May 2023, the CEC released a report—the appropriately named “Senate Bill 846 Load-Shift Goal Report”—which established a load-shifting goal of 7,000 megawatts by 2030. The CEC report notes “many pathways exist to achieve the load-shift goal” and that the goal reflects “growth of loads under TOU [time-of-use] rates such as electric vehicles and the policy preference for dynamic pricing-based load flexibility.” The CEC report also made several recommendations, among them:

- The CPUC should direct the IOUs to implement dynamic pricing options for as many customers as possible, consistent with the CEC Load Management Standards and the CPUC California Flexible Unified Signal for Energy hourly dynamic pricing proposal.
- All California utilities, including POUs, should analyze the feasibility of advanced metering infrastructure deployment to all customers. Using this analysis, utilities should then move toward developing plans for complete AMI deployment, where feasible.

The author intends this bill to ensure implementation of these two recommendations, tying these actions to reduced electricity costs. According to the author:

Utilizing dynamic pricing in utility rates can lower peak demand and reduce the overall cost of electricity generation and grid upgrades, particularly when paired with advanced metering infrastructure. Encouraging the adoption of dynamic pricing and the installation of advanced metering infrastructure will help move California toward a modernized electrical grid and reduce costs to ratepayers.

The California State Association of Counties agrees, noting that counties “support the adoption of real-time metering and time-of-use metering, allowing consumers to make choices about their consumption of electrical energy based on the real-time price of electricity.”

Despite the author’s assertions, two of the state’s largest IOUs oppose the bill. San Diego Gas and Electric (SDG&E) describes the state as facing a choice—either the state can “let expert regulators, utilities, and stakeholders do their job to implement modern pricing structures thoughtfully,” or, SDG&E warns, “it can impose rigid statutory requirements and deadlines that will waste money, delay system upgrades, and potentially increase customer bills.” According to SDG&E, “AB 710 takes the second path,” describing the bills as “rushed legislative micromanagement.” More substantively, SDG&E writes:

We encourage the Legislature to allow the Commission to complete the Demand Flexibility Rulemaking and pending IOU applications for AMI deployment. The Commission’s measured approach will allow for technical analysis, customer impact studies, and proper implementation planning without mandating specific frameworks and deadlines that may be in the adverse interest of customers. Statutory

mandates with compressed timelines reduce the Commission's ability to thoughtfully design these protections.

Pacific Gas and Electric (PG&E) expresses concerns like those of SDG&E. In addition, PG&E objects:

For IOUs like PG&E, this requirement [a feasibility study for deployment of AMI to all customers] is unnecessary and would be counterproductive. PG&E completed its full AMI deployment in 2013, enabling all our customer classes to review and manage energy usage, receive timely billing services, participate in demand response programs, and default to time-of-use pricing.

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